

# **EXHIBIT 57**

UNITED STATES SECURITIES AND EXCHANGE COMMISSION

In the Matter of:                 )  
  )     File No. C-08755-A  
  
SOLARWINDS CORPORATION         )

WITNESS: Kellie Jaie Pierce

PAGES: 1 through 195

PLACE: Securities and Exchange Commission  
175 W. Jackson Blvd.  
Chicago, Illinois

DATE: Wednesday, October 27, 2021

The above-entitled matter came on for hearing,  
via WebEx, pursuant to notice, at 8:28 a.m.  
Central Time, 9:28 a.m. Eastern Time.

Diversified Reporting Services, Inc.

(202) 467-9200

Page 2

## APPEARANCES:

On behalf of the Securities and Exchange Commission:

LORY STONE, ESQ.

W. BRADLEY NEY, ESQ.

BENJAMIN BRUTLAG, ESQ.

MICHAEL BAKER, ESQ.

MARGARET VIZZI, Senior Staff Accountant

Division of Enforcement

Securities and Exchange Commission

175 W. Jackson Blvd

Chicago, Illinois

Also Present:

Era Calhoun, SEC Paralegal

Page 3

## APPEARANCES(CONT.):

On behalf of the Witness:

JULIE M. RIEWE, ESQ.

ANNA MOODY, ESQ.

ANDREAS GLIMENAKIS, ESQ.

Debevoise &amp; Plimpton, LLP

801 Pennsylvania Avenue, N.W.

Washington, D.C. 20004

(202) 383-8070

JAMES T. DRAKELEY, ESQ.

Spencer Fane, LLP

5700 Granite Parkway

Suite 650

Plano, Texas 75024

(972) 324-0300

Page 4

## CONTENTS

## WITNESSES

## EXAMINATION

Kellie Jaie Pierce

5

## EXHIBITS: DESCRIPTION

## IDENTIFIED

69 Subpoenas

9

70 Background questionnaire

11

71 08/07/2017 e-mail and attachment

34

72 01/13/2017 e-mail and attachment

52

73 10/18/2017 e-mail and attachment

66

74 01/13/2020 e-mail and attachment

76

75 01/13/2020 e-mail and attachment

81

76 01/13/2020 e-mail and attachment

85

77 02/19/2020 e-mail and attachment

90

78 09/09/2019 e-mail and attachment

127

79 07/13/2019 e-mail and attachment

136

80 07/23/2019 IM

156

81 02/17/2020 Series of IMs

159

82 Spreadsheet

162

83 06/25/2020 Calendar invite

167

85 01/03/2018 e-mail and attachment

186

86 02/26/2018 Calendar invite

182

106 08/12/2019 E-mail

99

Page 5

## PROCEEDINGS

MS. STONE: It is 9:28 a.m. on October 27th of 2021.

Ms. Pierce, before I administer the oath, I want to confirm that you agree to have the oath administered via WebEx instead of in-person today.

MS. PIERCE: I agree.

MS. STONE: If you could please raise your right hand while I administer the oath.

Do you swear to tell the truth, the whole truth?

MS. PIERCE: I do.

Whereupon,

KELLIE JAIE PIERCE was called as a witness and, having been first duly sworn, was examined and testified as follows:

## EXAMINATION

BY MS. STONE:

Q Thank you. Ms. Pierce, can you please state your full name and spell your name for the record?

A My name is Kellie Jaie Pierce, Kellie, K-e-l-l-i-e, J-a-i-e, and the last name is Pierce, P-i-e-r-c-e.

Q I'm Lory Stone. Also with me from the Commission today is Benjamin Brutlag, Michael Baker and Bradley Ney, Margaret Vizzi and Era Calhoun. We are officers of the Commission for purposes of this proceeding. This is an

Page 174

1 A I do.

2 Q Does that mean that Orion was testing internally in  
3 Q3 2020 by a member of the security team?

4 A It was scheduled to be scanned for Q3 2020 by the  
5 security team.

6 Q Okay, the items that are pointed out, does that  
7 mean they have, happened, the two columns that are greyed  
8 out?

9 A Correct.

10 Q All right, let's look at slide three which is 2020  
11 external penetration testing. So, there are several items  
12 listed followed by one word in parenthesis. For instance, if  
13 we look at quarter 3, you'll see Kingdom followed by Rocket7  
14 in parenthesis.

15 Can you tell me what we're looking at here?

16 A Yeah, so this is the product Kingdom and then we  
17 had the third-party Rapid7 who would be performing the Pen  
18 Tests, but for DPM we had — which was the third-party vendor  
19 or — for end central.

20 Q Okay, why are there different third-parties hired  
21 for product testing?

22 A We hired different product Pen Testers for  
23 availability, and also to get diversity in results.

24 Q And what is the, I think you've answered this, the  
25 purpose of Pen Testing Solarwinds products is to identify

Page 176

1 Q And tell us about the results for these third-party  
2 Pen Test, how did the results come to Solarwinds if they did?

3 A The third-party tester would create a report, a  
4 draft report and provide that to Solarwinds for review. And  
5 they would, Solarwinds would review the results and then we  
6 would meet with the Pen Tester, talk through any area of  
7 concern or in some cases the results that were found  
8 externally may have been like a false positive or something  
9 that the engineering team felt they didn't test quite right.  
10 So, they would, we would talk through those items, they would  
11 then revise and update the report and then provide us a final  
12 report and an executive summary.

13 Q Who would the draft report go to? You used we a  
14 few times, who is the we there?

15 A The report would, for the external Pen Test they  
16 would come to me or to Eric Quitugua, and then we would  
17 coordinate with the product teams.

18 Q So, then you would reach out to the relevant  
19 product team for Kingdom or Ap Optics who, whatever product  
20 it was is that right?

21 A Correct.

22 Q Would you review the reports?

23 A I would coordinate the reports, but I'm not a  
24 technical person so I, I basically would just coordinate to  
25 make sure that the right people had the reports and that we

Page 175

1 vulnerabilities. Do I have that right?

2 A Correct.

3 Q Any other reason?

4 A No.

5 Q And why are third-parties hired to Pen Test these  
6 products? Why not just do these internally also?

7 A Oftentimes customers request a Pen Test summary to  
8 show that, that companies are performing Pen Testing and it's  
9 best practice to have a third-party perform that so that you  
10 have an official report. So, so it's a common practice to  
11 have third-parties perform the Pen Testing.

12 Q Okay, and how did Solarwinds decide which products  
13 to have tested by third-parties?

14 A The products listed here are either under SOC2 or  
15 ISO 27001.

16 Q So, it's something that was under the purview of  
17 the audit?

18 A Correct.

19 Q And because it was being audited Solarwinds also  
20 decided to have it Pen Tested, or was it a requirement?

21 A Pen Testing was a control under those, under ISO  
22 27001 and SOC2.

23 Q And how frequently were products Pen Tested  
24 externally?

25 A Pen Testing occurs annually.

Page 177

1 could have the conversations with the third-party.

2 Q So, you could not review the reports for content is  
3 that correct?

4 A Correct.

5 Q What if anything was done with the results? So,  
6 you said there was a final report issued and an executive  
7 summary?

8 A The, any vulnerabilities that were identified as  
9 high or critical would be prioritized by the product teams  
10 for remediation. And then the report itself would be stored,  
11 and if requested by a customer under NDA would be provided,  
12 the summary would be provided to them.

13 Q If vulnerabilities were identified as high or  
14 critical would those be tracked somewhere in one of the  
15 systems we've discussed already today?

16 A Those would be a task within GIRA.

17 Q And beyond the product team would anyone ask to see  
18 those, those vulnerabilities that the Pen Tester identified?

19 A The report would be reviewed, also sent to the  
20 legal team.

21 Q Anyone else?

22 A No.

23 Q Do you know when Solarwinds first started  
24 conducting third-party Pen Tests of it's products?

25 A I don't know.

Page 178

1 Q The chart at page three, there's no third-parties  
2 listed for the quarter four, the products are there, but  
3 there's no third-parties. Do you know if the same companies  
4 were used in quarter four to Pen Test Solarwinds products?  
5 A We have three vendors on, under contract, so it  
6 could have been Rapid7. Actually we, we had four, there was  
7 another company. So, the process would be during the, the  
8 specific quarter that we were in I would identify which  
9 vendor we had under contract for which product. And as we  
10 got closer to the next quarter I would assign and made sure  
11 we had the right contracts for the specific products by  
12 vendor.  
13 Q And do you know, in 2019 if Pen Testing was done in  
14 2019 would it have been these same four vendors?  
15 A I don't know.  
16 Q Who was the fourth vendor?  
17 A Information Security I think is their name.  
18 Q In quarter two at the top of the, the list is Ap  
19 Optics, do you see that?  
20 A I do.  
21 Q Is that the same, that's the same product we were  
22 talking about in Exhibit 82, correct?  
23 A Correct, yes.  
24 Q I can't remember if you told me how that came to  
25 your attention the, the line item in Exhibit 84 that dealt

Page 180

1 A Other than the information provided here, no.  
2 Q Okay, so you don't recall any high or critical  
3 findings for N Central?  
4 A No, I don't.  
5 Q And Rapid7 is listed as another third-party tester  
6 that was used in Q3. Are you familiar with Rocket7?  
7 A Yes.  
8 Q Do you know the period of engagement for which  
9 Rocket7 was used by Solarwinds?  
10 A No, I don't.  
11 Q On slide three there's a, a row called Pen Testing  
12 notes, do you see that?  
13 A Yes.  
14 Q There's some discussion in the, in the notes about  
15 re-testing. For Q2 it says no re-testing was written in the  
16 contract, and in Q3 it says Rapid7 no re-testing was applied  
17 due to cost of tests. Netitude and Verisprite agreed to  
18 perform re-testing on SOW. What is re-testing?  
19 A It's an external Pen Test when a Pen Tester runs  
20 the first scan and they come up with vulnerability. The team  
21 will go and do the remediation and then they will, the Pen  
22 Testing company will then come back and re-test.  
23 Q Okay, and what is the purpose of re-testing?  
24 A To look for any new vulnerabilities, but also to  
25 confirm that the previously found vulnerabilities have been

Page 179

1 with Ap Optics. Did it come to your attention because of a  
2 Pen Test, do you know?  
3 A Let me just make sure, Exhibit 84?  
4 Q Exhibit 84, and I think it was line, no, it was the  
5 last line I think, line 20.  
6 A The risk, line 20 was from the SOC2 audit not, not  
7 the Pen Test.  
8 Q Okay, so the SOC2 audit identified the issue  
9 independent of the Pen Test?  
10 A Correct.  
11 Q For Q4 going back to Exhibit 83, for Q4 Papertrail  
12 is listed, what is Papertrail?  
13 A Papertrail is a Solarwinds product.  
14 Q What does it do?  
15 A It is a logging tool.  
16 Q What does it log?  
17 A I don't know.  
18 Q Do you know which vendor did the Pen Testing for  
19 Papertrail in Q4 of 2020?  
20 A No, I don't recall.  
21 Q In Q3 for N Central, the third-party Pen Tester is  
22 listed, listed as Verisprite. Do you see that?  
23 A I do.  
24 Q Do you recall Verisprite conducting testing in Q3  
25 of 2020?

Page 181

1 remediated.  
2 Q Why was there no re-testing for Rapid7 due to cost?  
3 I guess, what can you tell me about that, that bullet and  
4 entry?  
5 A We didn't contract with Rapid7 to do any re-  
6 testing.  
7 Q And that was due to the expense?  
8 A That, yeah, I don't recall the exact reason other  
9 than what's written here as to why we didn't have re-testing  
10 with Rapid7. They were one of the more, of these listed they  
11 were one of the more expensive Pen Testers that we had.  
12 Q Do you know if they would have been making the  
13 decision not to do re-testing because of cost?  
14 A No.  
15 Q Would this be, was Pen Testing part of the security  
16 IT budget or where would that fall, if you know?  
17 A I don't recall.  
18 Q Do you have an opinion as to the effectiveness of  
19 Rapid7 or how it compared to these other third-parties listed  
20 on slide three?  
21 A As I stated earlier I'm not highly technical, and  
22 so I would take the feedback of the team, but I don't have an  
23 opinion.  
24 Q All right, so we talked about some ways that risks  
25 are identified. Any other ways that risks were identified by

Page 182

1 Solarwinds that we haven't discussed?

2 A Not that I'm aware.

3 Q Do you want to go ahead and take a 10 minute break?

4 MR. DRAKELEY: Yes.

5 MS. STONE: Okay, why don't, why don't we do that.

6 So, we are off the record at 4:15 p.m.

7 (Off the record.)

8 BY MS. STONE:

9 Q If you could please confirm that there were no

10 conversations of substance between SEC staff and yourself

11 during the break?

12 A I agree.

13 Q So, we've been talking about identification of

14 risks. Let's switch now to tracking of risk. And I know

15 you've told us a bit about the risk register, are there other

16 ways that Solarwinds tracked any risk it identified?

17 A Not that I'm aware of.

18 Q Okay, let's talk a bit more about the risk register

19 then and I, I apologize if some of these questions are

20 duplicative. It's getting to be a long day and I'm not sure,

21 I, I don't have all the answers at the forefront. But my

22 understanding from what you've told me is that the risk

23 register is populated by the Risk Acceptance Forms that are

24 submitted, is that correct?

25 A Correct.

Page 183

1 Q Is there any other way that content is populated

2 into the risk register?

3 A No.

4 Q Okay, so it's solely through the Risk Acceptance

5 Form process?

6 A Yes.

7 Q And am I remembering correctly that anyone can

8 enter, enter a RAF, is that correct?

9 A Correct.

10 Q Okay, and the RAFs can be entered at any time and

11 then they're reviewed on a monthly basis by you, remind me,

12 is it Eric, Tim and sometimes Ashley, is that correct?

13 A Yes.

14 Q Okay. All right, and I think you were not sure how

15 long Solarwinds has been using the risk, risk register is

16 that right?

17 A Yes.

18 Q Let's go ahead and look at Exhibit 86. Exhibit 86

19 is a calendar invitation Bates stamped 100988 with two

20 attachments, a PowerPoint at 100999 and an Excel spreadsheet

21 at 101005. The calendar invite is from Eric Quitugua to

22 Kellie Pierce, the subject is GDPR risk register status

23 update/next steps, the date is 2/26/2018.

24 Ms. Pierce, do you recognize Exhibit 86?

25 (SEC Exhibit No. 86 was marked for

Page 184

1 identification.)

2 A I don't recall the, the exhibits or the

3 attachments.

4 Q This would have been the time that you served in a

5 consulting capacity for Solarwinds, is that right?

6 A That's correct.

7 Q And you were working on GDPR related issues, is

8 that correct?

9 A Correct.

10 Q Okay, Mr. Quitugua writes, let's go over the

11 formatting of the risk register as well as next steps on how

12 we'll take items from each individual team self-assessment to

13 populate this document moving forward. Do you recall having

14 a meeting with Mr. Quitugua to discuss these issues?

15 A I don't recall this meeting, no.

16 Q Okay, do you still believe that the risk register

17 is only populated through RAFs, or does this change your,

18 your recollection?

19 A My, during my, when I worked with the risk register

20 we received risks from the Risk Acceptance Form.

21 Q And what's the time period for that?

22 A That would be February 2019 through May of 2020,

23 well, through 2021.

24 Q Do you recall a time prior where assessments were

25 also used to populate the RAF, the risk, the risk register?

Page 185

1 A I, I don't.

2 Q So, Eric is suggesting that you go over the

3 formatting of the risk register. Does this help job your

4 memory as to whether the risk register was just being set up

5 in February of 2018?

6 A I don't, I don't know.

7 Q When he writes how we'll take items from each

8 individual team's self-assessment to populate this document

9 moving forward, do you understand that to be referencing the

10 self-assessments that we discussed earlier that derived from

11 the security guidelines?

12 A Yes.

13 Q Okay, let's take a minute to look at the attached

14 document. Not the PowerPoint, just the risk register, so the

15 document at 101005, it's an Excel spreadsheet.

16 Do you recognize the risk register at 101005?

17 A The structure is similar but this is different than

18 the risk register that I worked with.

19 Q Okay, do you think maybe this is an early iteration

20 of it, a precursor to the risk register you worked with?

21 MS. RIEWE: I guess, just if, if you know, Kellie.

22 Just no speculation, if you know, great.

23 THE WITNESS: I don't know.

24 BY MS. STONE:

25 Q Can you tell us column E is system name, what are

Page 194

PROOFREADER'S CERTIFICATE

In the Matter of: SOLAR WINDS, INC.  
 Witness: Kellie Pierce  
 File Number: C-08755-A  
 Date: Wednesday, October 27, 2021  
 Location: Chicago, Illinois

This is to certify that I, Christine Boyce,  
 (the undersigned), do hereby certify that the foregoing  
 transcript is a complete, true and accurate transcription  
 of all matters contained on the recorded proceedings of  
 the investigative testimony.

\_\_\_\_\_  
 (Proofreader's Name) 11-9-2021

Page 195

REPORTER'S CERTIFICATE

I, Andy Kreczko, reporter, hereby certify that the  
 foregoing transcript of 193 pages is a complete, true and  
 accurate transcript of the testimony indicated, held on  
 October 27, 2021, at Washington, D.C., in the matter of:  
 Solarwinds Corporation

I further certify that this proceeding was recorded by  
 me, and that the foregoing transcript has been prepared under  
 my direction.

Date: November 8, 2021

\_\_\_\_\_  
 OFFICIAL REPORTER  
 Diversified Reporting Services, Inc.